

SHOWCASE EUROPE

TRAVEL & TOURISM SECTOR

STRATEGIC PLAN FOR FY 2007

1. MARKET OVERVIEW

The U.S. travel and tourism sector is one of the most vital and far reaching segments of the U.S. economy. In 2005, some 50 million international visitors spent well over \$93.3 billion while visiting and traveling in the United States. The sector supported more than 7.3 million jobs in America, with a direct payroll of \$163 billion. The sector generated roughly \$645 billion in travel related revenues and contributed a trade surplus of over \$4 billion to the U.S. balance of payments. In addition, the U.S. travel and tourism sector contributed approximately \$99.4 billion in tax revenues to federal, state and local governments in virtually every corner of United States.

With 10.3 million visitors, a six percent increase from 2004's 9.7 million, Europe accounted for more than 20 percent of the total number of international visitors to the United States in 2005. European visitors also increased their spending in the U.S. economy by seven percent, from \$25.5 billion in 2004 to \$27.2 billion in 2005. They accounted for 29 percent of total expenditures made by international visitors.

Many major European markets, including France, Italy, Spain, Ireland, Sweden, Denmark and Finland, reported double-digit growth for inbound travel to the United States in 2005. While still the number one market for overseas arrivals to the United States, with 4.3 million visitors and 42 percent of total European visitors, the United Kingdom lagged behind other major European markets with only a one percent increase in visitors to the United States.

The United States offers most European travelers tremendous value due to the strength of the euro and the pound against the U.S. dollar, as well as relatively easy entry under the "visa waiver program," which applies to many EU member states. However, tighter security regimes imposed on international travel in general and misperceptions about the America's disposition towards international visitors and students have had a negative impact on market growth. In fact, the number of international visitors to the United States remains below levels registered prior to the terrorist attacks of September 11, 2001 and the U.S. share of the global travel market has also declined in recent years.

The Showcase Europe Travel and Tourism Team has been working diligently with its public and private sector partners in the United States and in the host countries to overcome the negative factors that slow U.S. market growth in an industry that is expanding globally. The team applauded the launch of the U.S. “Open Doors Secure Borders in the Information Age” initiative, launched in January 2006, to balance the nation’s travel and visitors’ needs and security concerns.

The Showcase Europe Travel and Tourism Team has also undertaken active outreach efforts to keep European travelers and the travel trade informed about the US-VISIT program which requires all visitors entering the U.S. to possess either a biometric or machine-readable passport as of October 26, 2006. The fact that most European governments now have technology in place to comply with the new passport requirements will significantly reduce much of the uncertainty and confusion that has affected travel planning to the United States over the past several years.

The U.S. Department of Commerce’s two federally funded promotional campaigns in the United Kingdom helped to produce positive results for the U.S. travel industry, according to findings released by the Office of Travel and Tourism. Over two million additional visits were expected as a result of the first “You’ve Seen The Films, Now Visit The Set” promotional campaign that ran in the UK from December 2004 through February 2005. The results of the second campaign, December 2005 through February 2006, have yet to be released.

Under new leadership, the Travel Industry Association of America (TIA) has developed a strategy designed to galvanize the U.S. travel and tourism industry into a single voice working together and aggressively to market the United States as a travel destination, with increased U.S. government financial support and professional U.S. Commercial Service assistance around the world. Therefore, our 2007 Showcase Europe Travel and Tourism Strategic Plan is designed to strengthen our cooperation with TIA and other trade associations as well as to capitalize on our reputation and the industry’s confidence in our team’s ability to make significant contributions in promoting this important service industry.

Our SCE Team is committed to help the U.S. travel and tourism industry raise its profile in Europe among travelers, travel agents, tour operators and the travel media; and to promote the United States as a welcoming, open, and safe long-haul destination that offers visitors the best value and the widest array of products and services in the world. Our 2007 plan places a strong emphasis on promoting core programs, increasing utilization of CS user fee services and generating trust funds that can be used to support increased promotional activities and team member participation in Tier-One events. In addition the SCE Travel and Tourism Team will reinforce its efforts to utilize our embassy country teams to advance industry goals and objectives; strengthen our strategic alliances with USG, State and local government agencies; and increase our offering of cost-effective market access vehicles to a diverse and expanded range of U.S. clients.

2. OBJECTIVES

- Assist U.S. travel suppliers to gain market exposure and penetration throughout Europe through the use of CS core programs and user fee services.
- Develop a SCE market research plan to identify best prospects for U.S. suppliers of business and leisure products and services.
- Promote a CS FAM Program, in cooperation with the T&T Global Team, for U.S. clients on a cost recovery basis.
- Organize at least one PLC at each post to provide U.S. participants with a cost-effective way to gain market exposure.
- Report on new developments impacting travel to the U.S. and work with country team members and other USG agencies to ensure that T&T stakeholder interests are protected in host countries.
- Strengthen strategic alliances with state and city tourism offices, local Visit USA Committees, Visit USA Europe, major convention and visitors' bureaus, the Travel Industry Association of America (TIA) through outreach and improved communications/cooperation and coordination of programs.
- Develop joint marketing strategies with the Global T&T Team and other USG agencies, such as the Bureau of Indian Affairs, Forest Service, and Scenic Byways, to promote non-traditional destinations and foster diversity.
- Organize SCE training sessions at Tier One events - World Travel Market 2006 and Pow Wow 2007.

3. ON-GOING INITIATIVES

A) Expand SCE T&T performance measures beyond export successes to include:

- Number of Core Program Services Delivered
- Number of Events Organized and Staged
- Number of Highlights Reported
- Total User Fees Collected

B) Expand use of video conference capabilities to promote US travel and tourism; e.g. develop educational videoconferences on specific markets on a cost recovery or sponsorship basis and arrange for these to be placed on the worldwide web for maximum exposure. Plan, coordinate and promote these efforts in cooperation with Global T&T team.

4. STRATEGY:

SCE T&T Members

- **Coordinate and Target SCE T&T Market Research Activities:**
 - Prepare Post Profile for Release at Pow Wow 2007 (minimum opt-in requirement)
 - Prepare other SCE Europe T&T sub-sector reports: Topics – (due-tbd)
- **Support and Attend Tier One Industry Events to Counsel Multipliers and Clients and Raise SCE T&T Profile:**
 - World Travel Market and Showtime (London: November 6-9, 2006)
 - Pow Wow (Anaheim: April 21-25, 2007)
- **Promote U.S. Participation at Tier Two Industry Events and Counsel Clients on SCE T&T Programs and Activities:**
 - ITB - International Tourism Bourse (Berlin: March 7-11, 2007)
 - BIT (Milan: February 22-25, 2007)
 - FITUR 2007 (Madrid: January 31 – February 4, 2007)
- **Strengthen SCE T&T Strategic Alliances with:**
 - VISIT USA's Committees, VISIT USA Europe Committee,
 - Travel Industry Association of America (TIA) and other multipliers
 - State and local tourism offices, major convention centers, visitor's bureaus and other U.S. stakeholders
- **Market CS Customized Core Programs and Business Facilitation Services to the T&T Industry to include**
 - Platinum Key and Gold Key Service and Single Company Promotions
 - Missions and Reverse Missions, e.g. FAM Trips
 - Product Literature Centers, Contact Lists, Customized Market Research, Country Profiles

- **Engage in Commercial Diplomacy to Advance SCE T&T Goals**
 - Maintain regular dialogue with Exec, Consular Affairs, Public Affairs and other relevant sections within the Embassy.
 - Ensure proper distribution of current information related to travel issues and visa procedures
 - Perform outreach; represent and promote U.S. T&T interests at appropriate forums

C) SCE Sector Coordinator:

- Coordinate implementation of SCE T&T Strategic Plan for 2007.
- Provide guidance & updates to team members.
- Produce and maintain a European T&T event “coordination calendar” for SCE.
- Prepare press releases and promotional letters as appropriate, focusing more on non-traditional travel products such as eco-tourism.
- Promote the cost recovery program for recruitment of FAM tours.
- Develop a coordinated market research plan.
- Maintain SCE T&T Team Liaison with key city, state and federal agencies, as well as with industry associations and other T&T multiplier groups.
- Maintain regular contact with Department of Homeland Security (for US VISIT program) and Customs and Border Protection (for new procedures that affect entry/exit); provide new guidelines/regulations to SCE posts for dissemination to their in-country travel trade.

5. PERFORMANCE MEASURES:

- Number of export successes generated
- Value of reported export successes
- Number of CS Market Research reports prepared
- Number of Core Program events recruited and Business Facilitation Services delivered (e.g. Gold Keys, IPS, Single Company Promotions)
- Total revenues collected from all programs
- Number of FAM tours recruited
- Number of Outreach Programs Supported in the US and EU
- Number of Highlights

- Number of new clients acquired through pro-active team activities
- Number of professional development opportunities provided to team members
- Number of new or enhanced team partnerships with public or private entities
- Participation at meetings (World Travel Market 2006, Pow Wow 2007)
- Participation in Showtime at World Travel Market, November 2006